

House File 180 - Introduced

HOUSE FILE _____
BY MASCHER

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act increasing the taxes imposed on cigarettes and providing
2 for appropriation of the revenue generated to the medical
3 assistance program and for tobacco control and prevention, and
4 providing an effective date.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 1966HH 82
7 pf/gg/14

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1 1 Section 1. Section 453A.6, subsection 1, Code 2007, is
2 amended to read as follows:

1 3 1. There is imposed, and shall be collected and paid to
1 4 the department, ~~the following taxes~~ on all cigarettes used or
1 5 otherwise disposed of in this state for any purpose
1 6 whatsoever+ ~~a tax of ten cents on each cigarette.~~

1 7 ~~CLASS A. On cigarettes weighing not more than three pounds~~
1 8 ~~per thousand, eighteen mills on each such cigarette.~~

1 9 ~~CLASS B. On cigarettes weighing more than three pounds per~~
1 10 ~~thousand, eighteen mills on each such cigarette.~~

1 11 Sec. 2. Section 453A.35, Code 2007, is amended to read as
1 12 follows:

1 13 453A.35 TAX AND FEES PAID TO GENERAL FUND.

1 14 The proceeds derived from the sale of stamps and the
1 15 payment of taxes, fees, and penalties provided for under this
1 16 chapter, and the permit fees received from all permits issued
1 17 by the department, with the exception of the proceeds derived
1 18 from payment of taxes pursuant to section 453A.6, subsection

1 19 1, shall be credited to the general fund of the state. All
1 20 permit fees provided for in this chapter and collected by
1 21 cities in the issuance of permits granted by the cities shall
1 22 be paid to the treasurer of the city where the permit is
1 23 effective, or to another city officer as designated by the
1 24 council, and credited to the general fund of the city. Permit
1 25 fees so collected by counties shall be paid to the county
1 26 treasurer.

1 27 Sec. 3. NEW SECTION. 453A.35A HEALTH CARE ENHANCEMENT
1 28 FUND == TAX REVENUE DEPOSITED == APPROPRIATION.

1 29 1. A health care enhancement fund is created in the office
1 30 of the treasurer of state. The fund consists of the revenues
1 31 generated from the taxes imposed on cigarettes pursuant to
1 32 section 453A.6, subsection 1. Moneys in the fund shall be
1 33 used only as specified in this section and are appropriated
1 34 for the uses specified. Moneys deposited in the fund are not
1 35 subject to section 8.33 and shall not be transferred, used,
2 1 obligated, appropriated, or otherwise encumbered, except as
2 2 provided in this section. Notwithstanding section 12C.7,
2 3 subsection 2, interest or earnings on moneys deposited in the
2 4 fund shall be credited to the fund.

2 5 2. Moneys in the fund are appropriated for the fiscal year
2 6 beginning July 1, 2007, and for each fiscal year thereafter,
2 7 as follows:

2 8 a. To the department of human services, an amount
2 9 necessary, annually, for expenses incurred under the medical
2 10 assistance program.

2 11 b. To the department of public health, an amount
2 12 necessary, annually, for expenses relating to tobacco control
2 13 and prevention within the state.

2 14 Sec. 4. EFFECTIVE DATE. This Act, being deemed of
2 15 immediate importance, takes effect on the first day of the
2 16 month that begins following enactment.

2 17 EXPLANATION

2 18 This bill relates to an increase in the taxes imposed on

2 19 cigarettes and to the deposit and appropriation of the revenue
2 20 generated.
2 21 The bill provides for a tax on cigarettes of 10 cents on
2 22 each cigarette. The effect of the bill is to increase the tax
2 23 on a pack of 20 cigarettes from 36 cents per pack to \$2 per
2 24 pack.
2 25 The bill provides that the revenue generated (the 10 cents
2 26 per cigarette) is to be deposited in the health care
2 27 enhancement fund created in the bill. The bill provides that
2 28 moneys in the fund are appropriated for the fiscal year
2 29 beginning July 1, 2007, and annually thereafter, to the
2 30 department of human services, an amount necessary, annually,
2 31 for expenses incurred under the medical assistance program,
2 32 and to the department of public health, an amount necessary,
2 33 annually, for expenses relating to tobacco control and
2 34 prevention within the state.
2 35 LSB 1966HH 82
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